THE FRENCH WORKMEN'S COMPENSATION ACT.

THE radical departure in social legislation which found expression in the workingmen's compulsory insurance laws of Germany properly attracted the attention of students of social reform throughout the world. Had the effect of this movement been confined within the boundaries of the German Empire, it would have been important to the foreign student chiefly as affording an interesting application of a new and striking method of social reform. Its rapid extension in other countries, however, has made it of great practical significance for every land. By far the most important result of this step on the part of the German government is the spread of its influence throughout Europe. Everywhere it has profoundly modified the whole current of thought regarding the solution of several of the most important questions affecting the welfare of the laboring classes.

It is difficult to mention another example where a new and radical form of social reform has gained ground with equal rapidity. Germany enacted her first compulsory insurance law in 1883. Not only has she persistently continued the elaboration of her system, but other nations have followed suit. Austria and Norway have no less unreservedly accepted the policy of compulsion, and the former country has organized a system for the compulsory insurance of workingmen against accidents and sickness scarcely less complete than that of Germany itself. In Italy, when the first proposal for a general system of workingmen's insurance was introduced in 1880, the idea of compulsion was summarily and almost unanimously rejected. Step by step, however, this position has been abandoned until the more recent propositions embody the

principle. In Switzerland the people, through the referendum, have pronounced overwhelmingly in favor of compulsion in some form or other; and it is only a question of time when a working system will be created. In England itself, that stronghold of individualism, the compensation of injured workingmen by their employers has now been made obligatory by the Workmen's Compensation Act of 1897.* Now France, where the principle of compulsion has been fought with the greatest determination, has fallen into line, and by an act approved April 9, 1898, has made it obligatory upon employers in the principal industries to indemnify at their own expense all of their workingmen injured while in the performance of their duties.

In each of these countries the history of the efforts leading up to this result is of interest, but in none more so than in France. The enactment of the present law for the compulsory compensation of injured workingmen is the culmination of efforts which began as far back as 1880, and have been continuously put forth since that date. The record of this movement furnishes a typical example of the various phases through which the question has passed. It shows how, under constant discussion, the fundamental features of a problem are gradually made clear, and the principles of the solution proposed gradually changed as the conditions to be met are better understood. In following the experience of France, therefore, we are able at the same time to study an interesting example of the evolution of a social problem.

Prior to the modern movement for the insurance of workingmen against accidents the prevailing law in Europe was substantially that known as the common-law liability of employers. In France, in spite of the great transformation in the conditions under which industry is carried on, the law regarding this point was still that em-

* The text of the English act is printed in this Journal for October, 1897.

bodied in Articles 1382–84 of the civil code of Napoleon enacted in 1804. Briefly stated, the provisions were that the employers were responsible to their employees only for those injuries which were the result of their (the employers') fault or the negligence of those directly representing them. The application of this principle meant that the employers were responsible only for the limited number of accidents that could be proved to have resulted from their negligence or wrong-doing. On the general principles of law the whole burden of proving negligence rested upon the workingman making claims for damages. The workingman thus bore the hardships entailed by accidents due not only to his own fault, but of all the numerous fortuitous accidents, of those caused by his fellow-employees and those whose occurrence, though resulting from the fault of the employer, could not be so legally proven.

It needs but this statement of the law to show its injustice under modern conditions. At the time the principle became definitely established as law, it fairly met the requirements of justice. The employee was then in intimate relations with his employer. Should an accident occur, it was an easy matter to determine the responsibility. The growth of production upon a large scale, however, changed all this. Under modern conditions the employee is often one of a thousand, working in a system of such complexity that it is frequently impossible to trace responsibility. Under the law, therefore, it was, with few exceptions, upon the employee that fell all the suffering caused by accidents. Leaving out of consideration the fact that the employer is better able to stand the financial burdens entailed by accidents, there was no more reason in equity why the employee should bear the consequences of accidents due to fortuitous occurrences and the acts of fellow-workingmen than the employer.

It has been necessary thus to state the character of the

prior legal provisions regarding accidents to laborers, in order to understand the full force of the demands made for their modification and the particular features which it was desired to change. The hardships that this régime entailed upon the workingmen became more and more marked as the development of the great industries went on. The most grievous injustice of the law was felt to be that provision which, in any attempt to recover damages, threw the burden of proof upon the employee. The first effort of reform, therefore, was directed to the modification of this feature. It was sought to accomplish what was called the inversion of proof (*renversement de la preuve*); that is, it was desired so to change the law that employers would be presumed to be responsible for all accidents unless they could prove that they had taken all needful precautions and were in no way to blame.

This movement led to a whole series of proposed laws, the first of which was that of M. Nadaud, introduced May 29, 1880. During the succeeding seven years no less than fifteen bills concerning this point were introduced in the French Parliament. This period constitutes the first phase of the evolution through which the question passed.

In the mean time Germany had entered upon her radical system of compulsory insurance. It was now recognized that the change of the law regarding the burden of proof represented but a slight measure of reform. The extensive study given to the subject brought out the fact that a large proportion of accidents were due to occurrences practically beyond human control, or at least to causes the responsibility for which could not be traced. To the two classes of accidents due to the fault of the employer and of the employee there was therefore added a third class,— those due to the industry itself. As statistics began to be collected, it appeared that less than 12 per cent. of accidents could be attributed to the di-

rect fault of employers. Considerably over 50 per cent. were found to be due to causes of the third class.

As soon as this fact became recognized, the query naturally arose why the burden of these latter accidents should be made to rest exclusively upon the employees. It was argued that it was the industry that caused them, and that it was upon the industry that in some way the support of their consequences should be made to fall. In other words, there seemed to be no reason why this liability should not constitute as legitimate an item of the cost of production, to be taken into consideration and borne by the employer, as that of the breaking of machinery, fire, or loss in any other way.

This constitutes what is known on the continent as the principle of trade risk (*risque professionnel*). It completely does away with the old law of employer's liability as expressed in Articles 1382–84 of the civil code. In its place it recognizes that under modern conditions accidents are inevitable; that the greater number are inherent in the industry itself; and that, therefore, their indemnification should be made to fall upon it, or, what is the same thing, upon the employer.

This principle secured its first indorsement in France in 1888, the Chamber of Deputies passing a bill on July 10 of that year declaring broadly that in all of the principal industries the employers should be required to indemnify any workingmen for injuries received while working, regardless of the cause, with the sole exception of those wilfully induced. It is interesting to note how under examination point after point in the controversy was gained, without any legislation actually being consummated. Henceforth the principle of *risque professionnel* was definitely accepted, and made the point of departure for future propositions.

Further than this it would seem that the doctrine of employer's liability could not go. Yet, even with so

much established, only a beginning would be made in solving the problem of accidents to labor. The basis of future action only had been determined. The legal question had been solved, but the social problem remained. Though the position of the laborer before the law would be infinitely improved, he would still have to endure the hardships resulting from many accidents. As matters then stood, the workingman would secure compensation for an accident only as the result of an action at law, with delays, expense, and uncertainties which he was in no position to bear. One of the most intolerable features of the old system was the amount of litigation that it engendered. More and more the feeling developed that, if the employee was to be indemnified for injuries, some method must be devised by which this aid could be made both more certain and more promptly available.

Hence we have the new system, as proposed by the bill passed in the Chamber of Deputies. It sought to accomplish the end by introducing the important principle of fixing in advance, according to the severity of the injury received, the amount of the indemnity that would be paid. The bill passed by the Chamber of Deputies, when sent to the Senate, met with considerable opposition. The principle of *risque professionnel*, as has been said, was frankly accepted. It was held, however, that an exception should be made, not only for accidents purposely caused, but also for those due to the *faute lourde*, or gross negligence, of the victims. Theoretically sound, the recognition of this exception annulled to a large extent the advantages hoped for under the new system, by leaving the door still open to any amount of litigation. The same question had been thoroughly fought out in Germany, and there decided in favor of the position taken by the Chamber of Deputies. The difference, however, continued to block legislation for several years, the Chamber of Deputies only accepting a compromise at the last moment in the bill which finally became the present law.

By this time, also, still another important feature requiring settlement became prominent,— that of compelling the employers to provide for the obligation thrown upon them by means of insurance. It was feared that otherwise the injured workingmen might not receive the indemnities due them, or at least not until after considerable delay. German experience had shown that in each industry accidents occurred with a surprising uniformity from year to year, and that the risk was therefore of a kind well adapted to be covered by insurance. All parties were now agreed that insurance of some kind was desirable. But the most diverse opinions existed as to whether it should be made obligatory or not. In no country has the contest between these two principles been fought with greater determination.

It is not within the scope of this paper to attempt a presentation of the various arguments adduced in favor of each position in this controversy. It should be stated, however, in order to show the conditions of the problem, that at this time the German and Austrian systems of compulsory insurance had been in operation but a short time; and it had by no means been demonstrated that they were successful institutions. Their first years' operations necessarily revealed imperfections and encountered difficulties that were made the most of by opponents of the system. In France, also, employers of labor had already voluntarily done a great deal towards insuring their employees against accidents. In the railroad and mining industries such action was almost universal, and many large employers of labor in other industries had done the same. France also had long possessed a National Accident Insurance Bank, which, though voluntary, had done something in the same direction. It was the work of these institutions which made the contest against compulsory insurance such a strenuous one.

The other features of the problem had now been prac-

tically agreed upon; and the question had fairly resolved itself into that of compulsory against voluntary insurance, and whether an exception should be made in the case of *faute lourde*. The third and last phase of the evolution of the problem had thus been reached. Its beginning may be marked by the year 1890, when M. Jules Roche, the Minister of Commerce and Industry, on June 28 introduced, on behalf of the government, a proposition embodying for the first time the principle of compulsory insurance.

This proposition was made the basis of a new bill reported by the Commission on Labor, which after a prolonged discussion passed the Chamber June 10, 1893, by the decisive vote of 493 against 4. The bill not only embodied the principle of compulsory insurance, but provided for the organization under government auspices of an elaborate system of district insurance institutions, through which the employers of each locality were to insure themselves. The Senate, however, still remained strongly opposed to compulsory insurance, and sought by various ingenious methods to avoid this necessity, while at the same time providing adequate guarantees that there should be no failure in the payment of the indemnities.

It will afford little matter of instruction to trace the different stages of the legislative action that ensued. Both the Senate and the Chamber passed bills on the subject, but for some time neither seemed willing to abandon the position that it had assumed. Finally, in August, 1897, England, which up to this time had paid less attention to the subject, passed her compulsory Workmen's Compensation Act. The passage of this act undoubtedly exerted a great influence upon the French legislature. Not only did France, as will be seen, borrow a number of suggestions from it, but it brought home to the Assembly that France was being left behind by

all of its neighbors in regard to this important question. The result was that the two houses, by mutual concession, at last came to an agreement; and the act of April 9, 1898, was finally passed.

The text of this important measure is printed in the Appendix. The statement of the mere details of the law can therefore here be largely dispensed with and attention be concentrated upon the essential principles incorporated in it.

It is evident from the foregoing historical sketch that the composition of a compulsory compensation act is by no means a simple one. It must contain provisions concerning a great many points: the persons responsible for the payment of the indemnities, the industries to which applicable, the amount of the benefits, the method of determining in each case the benefit due, and the whole machinery of reporting accidents, of keeping records, of providing for enforcement and the like. Each of these considerations can be met in various ways; and the provisions concerning each are of interest, if one wishes really to understand the scope and character of the new system which France has adopted.

The act first broadly states that any employee in certain industries specified in the act who, while in the performance of his work, is injured by an accident not intentionally adduced, causing him to be incapacitated for work during more than four days, or the heirs of a workingman killed by an accident, shall have the right to an indemnity, according to a fixed scale of benefits, to be paid by the employer.

As in both the German and English legislation, the law is limitative; that is, has been made to apply only to certain specified industries in which the risk of accidents is considered to be especially great. The list, however, is very comprehensive. It includes the building trade, all

factory, workshop, and work-yard work, transportation by land and water, the operations of loading and unloading, work at public storehouses, mines and quarries, and in addition any industrial work in which explosives are used or manufactured, or in which use is made of a machine operated by other than human or animal labor.

The scale of indemnities provided for is as follows: —

(1) In case of a temporary incapacity to labor, a daily benefit equal to one-half the wages the victim was receiving when injured, beginning with the fifth day of incapacity.

(2) In case of a partial but permanent incapacity, a benefit equal to one-half the amount of the loss of wages caused by the accident.

(3) In case of a permanent and total incapacity to labor, a yearly pension equal to two-thirds of the annual wages formerly earned by the victim.

(4) In case the accident results in death, the following pensions are paid. (*a*) To the widow, if there is one, a pension equal to 20 per cent. of the annual wages of the deceased; while, in case she remarries, she will receive a lump sum equal to three years' pensions, in definitive liquidation of her claim. (*b*) To children left with one parent, and under sixteen years of age, a pension, until that age is reached, equal to 15 per cent. of the parent's annual earnings, if there is but one child; of 25 per cent. if there are two, of 35 per cent. if three, and of 40 per cent. if four or more. If the children have neither father nor mother, the pension is raised to 20 per cent. of the deceased's wages for each one, but the total cannot exceed 60 per cent., a proportional reduction being made, if necessary, to bring them within this amount. (*c*) If the victim leaves neither wife nor children, each ascendant, or descendant under sixteen years of age, who was dependent upon the deceased for support, will receive a pension equal to 10 per cent. of the latter's former wages, the total in no case, however, to exceed 30 per cent. of such wages.

In the case of all of these indemnities, however, it is provided that, if it is shown that the accident was due to an inexcusable fault on the part of the victim, the pension given can be diminished more or less, according to the circumstances of each case. If, on the other hand, the accident resulted from the inexcusable fault or negligence of the employer or his direct representative, the indemnity can be increased within the limit that it cannot be made to exceed the loss of wage-earning capacity suffered by the injured workingman, or the total amount of his annual wages in case of his death. The principle of *faute lourde*, as it is called, was thus incorporated in the act, though in a modified form, as some benefit will be given in any event. It will depend entirely upon the policy pursued by the courts in fixing the amount of the indemnities whether the inclusion of this provision will be of great or little importance.

All of the benefits and pensions are non-transferable and exempt from attachment for debt. The mode of determining the annual earnings of the deceased, in order to fix the amount of the pension,— often a difficult matter,— is carefully provided for, but can best be seen by consulting the act itself. The important limitation, however, should here be noted that, in the case of workingmen earning over 2,400 francs, the above schedule of benefits applies only to that sum, the rate of benefits as regards the surplus being at only one-fourth that of the regular rates.

Workingmen of foreign nationality receiving pensions under this act or leaving France will be paid a sum equal to three years' benefits in final settlement of their claim. Heirs or families of workingmen of foreign nationality, if living outside of France at the time of the accident, are not entitled to any benefits.

The entire expense of the payment of these benefits, as has been said, is placed upon the employers of the injured

workingmen. In addition, they are required to defray all medical, pharmaceutical, and funeral expenses, which last must not exceed a maximum of 100 francs in any one case.

The manner in which benefits shall be paid constitutes an important feature of any indemnification system. It is evident that the framers of this law had a choice between two different methods. After the amount of the benefit had been determined, it could be paid to the victim or his family directly as a lump sum; or it could be converted into an annuity or pension to run until the death of the recipient or the expiration of the period determined upon. The system of pensions or annuities has never taken firm root in America. Throughout Europe, however, the preference in practically all kinds of workingmen's insurance is for this form of payment. The system of liquidation by means of single payments is, however, not without advocates. It is maintained that, if the injured workingmen or their families could obtain at once all the benefits coming to them, they could open a shop or enter into some occupation whereby they could gain an independent livelihood, but that, under the pension system, they are forced to remain idle, and the benefits by themselves are not sufficient to support them except in the most frugal way.

On the other hand, it is maintained that, while this might be true in isolated cases, in the great majority of instances the money would be lost; that the workingmen have few opportunities for profitably investing considerable sums of money and little skill in taking advantage of those that do arise; and that, therefore, unless the money is paid over to them in the form of regular benefits at certain intervals of time, the whole purpose of the act, that of providing for workingmen and their families left dependent by accidents, would be defeated.

A great deal can thus be said on both sides. The present bill, it would seem, has made a very happy compro-

mise between the two systems. The pension plan has been adopted as the basis or regular mode of procedure; but it is provided that, after the amount of the pension has been definitely determined, the beneficiary can demand that the pension be reduced one-fourth, and there be paid to him in cash a sum equal to one-fourth the sum necessary to constitute the capital for the payment of the pension, calculated according to the tables prepared for this purpose by the national old age pension fund (*caisse des retraites pour la vieillesse*). The workingman entitled to the pension can also demand that it, or the sum remaining after a one-fourth deduction has been made as above, be converted into an annuity revertible upon his death to his wife. In this case, of course, the value of the pension is reduced so that no augmentation of the charges placed upon the employer will result. This is a very useful device. The injured workman will thus not only receive the pension during his life, but on his death his wife, if she survives him, will continue to receive it.

In connection with this question of the manner in which the benefits are paid, the act contains important provisions by which the employers can in great part relieve themselves of the actual work of paying the benefits. France, as is well known, possesses a very efficient system of mutual aid societies, through the medium of which a great many workmen are insured against sickness and slight accidents, usually assimilated with accidents. Employers of labor have done a great deal in the way of encouraging the work of these organizations by aiding their employees to create and maintain societies of this order, to which they have often been liberal contributors. In all proposed action concerning workingmen's insurance or accidents to labor, great care has been taken to interfere in no way with their operation, but, if possible, to make use of and encourage their development. The present act, therefore, contains the important provision that

employers can relieve themselves of the burden of taking care of all minor accidents or those causing an incapacity to labor not exceeding ninety days (a class which includes the great majority of accidents) by turning over this work to a mutual aid society organized among their employees or of which the latter are members. The conditions under which this can be done are: that the constitution of the society must conform to the model approved by the government; that the employer shall pay a certain proportion of dues as agreed upon between him and his employees, but which cannot be less than one-third; and that the societies furnish in all cases of accidents requiring indemnities medical and pharmaceutical aid and a daily benefit equal to one-half of the victim's wages, or, if not, that the employer add enough to bring the benefits up to that amount.

This permission accorded by the law is a very beneficial one. A considerable number of employers are already practically fulfilling these conditions. A great deal of detail of management is got rid of by the employer, and misunderstandings and controversies regarding benefits are both less likely to occur and are more easily settled when they do arise. Finally, the effect upon the workingmen themselves is good, as they are encouraged to increase the amount of the benefits that they will receive if injured by making themselves regular payments to their societies.

A somewhat similar method of providing for the payment of the more important pensions which are granted in the case of permanent invalidity or death can also be followed by the employer. The employer, in case the payment of a pension is decreed, cannot be required to set aside a capital sum sufficient according to actuarial calculations to provide for the payment of the pension, but can make the payments as they become due out of his general funds. If, however, he desires to relieve himself once for all from this liability, he can do so by paying to

the *caisse nationale des retraites pour la vieillesse* such a capital sum; and the latter institution will thenceforward assume the payment of the pension. To accomplish this duty, the *caisse* is required within six months from the date of this act to prepare a schedule of charges, taking account of the mortality of the victims of accidents and their heirs.

The question of devising means for making the payment of the benefits absolutely certain and immediate — a problem solved by Germany and Austria by means of compulsory insurance — has, as we have seen, been the source of greatest difficulty for the French legislature. The Chamber of Deputies believed that this could only be accomplished through compulsory insurance, while the Senate desired, if possible, to avoid this necessity. The Senate has finally carried its point. The employers have not been compelled to contract insurance for the benefit of their employees. To make the payment of the benefits certain, however, the following system of guarantees has been created: —

For the payment of the medical and funeral expenses and the benefits allowed in cases of temporary incapacity, the victims have a lien on the property of the employers. For the payment of the pensions accorded to those suffering from permanent incapacity or to the heirs of workingmen killed by accident, a more serious system is provided. Here the State itself undertakes to guarantee their payment. It is provided that, if the employer, or the company through which he has contracted insurance, fails to pay the pension due, such pension will be paid by the *caisse nationale des retraites pour la vieillesse*. For this purpose there will be accumulated in this institution a special guarantee fund, to be supported by a special tax upon the manufacturers and employers in the form of 4 centimes additional to the *impôt des patentes*,— the French business tax,—and, in the case of mine operators,

of a tax of 5 centimes per hectare of mine field conceded to them for exploitation.

In all cases where the bank has to assume the payment of a pension, it is given the right and is directed to proceed against the defaulting employer or insurance company, by an action at law, to recover the amount paid on his or its behalf. The exact organization of this service in the national insurance bank will be determined by subsequent administrative orders. It is, furthermore, provided that all companies or societies undertaking the insurance of employers against the risks comprehended by this act shall be subject to the oversight and control of the government, and may be required by the latter to maintain such reserve funds as are deemed to be proper. The expense of this oversight will be defrayed by means of contributions required from the companies supervised as determined by the minister of commerce.

Finally, in case an employer for any reason goes out of business, it becomes obligatory upon him to pay to the *caisse nationale* a sum sufficient to contain the payments of the pensions for which he is liable, unless he can furnish a guarantee of its payment, the nature of which will be determined by a general administrative order yet to be issued.

The administrative details concerning the methods by which accidents are reported, and the exact amount of the benefits fixed, present no features of general interest, and can be briefly passed over. The responsibility for reporting accidents rests upon the employer. He is required, under penalty of fine in case of non-compliance, to report to the mayor of the commune in which the accident occurred all accidents causing a workingman to be unable to perform his work for forty-eight hours, giving specified details concerning each accident. In case the return shows that death or permanent incapacity to labor either has resulted or is likely to result, the mayor must

immediately communicate with the justice of the peace of the canton, which latter official must then begin an investigation concerning the causes, nature, and extent of the injury and the daily and annual wages of the sufferer or deceased. In doing this, he may, if necessary, call in the assistance of an expert. Unless a material impossibility, this inquiry should be closed within ten days from the occurrence of the accident, and the results transmitted to the president of the civil tribunal of the arrondissement.

All controversies relative to the funeral and medical expenses and the benefits granted in the case of temporary incapacity are settled finally by the justice of the peace of the district. In regard to the other indemnities or pensions the president of the civil tribunal must, within five days after the transmission of the documents to him, as described above, call before him the employer and the injured workingman, or his representatives. If an agreement concerning the amount of the indemnity can be reached, the amount is then definitely fixed. If such accord cannot be reached immediately, a proceeding similar to a regular action at law must be had; and an appeal can be taken from the decision rendered, according to the ordinary rules of law.

In the opening paragraph of this article the effort was made to indicate the significance of the new law of France which we have been considering. It lies not so much in the fact that it is an example, however interesting, of the economic policy of a single country, as that it is a typical illustration of a great movement which during the past ten years has swept over England and the continent of Europe, completely changing the time-honored policy of the most advanced nations concerning a question of deep importance. France has joined Germany, Austria, Great Britain, and Norway in the indorsement of the

principles underlying the system so boldly inaugurated by the first of these countries,— that the compensation of injured workingmen should be compulsory upon their employers. Thus in all these countries the position so long striven for, that the burdens entailed by industrial accidents should be made to constitute a normal item in the cost of operation or production, and thus to be borne by the employers, has been unequivocally established.*

A brief comparison of the French act with those of other countries with which it is so akin will enable us still further to understand the essential features of the movement and the points peculiar to the French act also. The French act is, in almost every respect, more similar to that of Great Britain than to those of Germany and Austria. The two former, indeed, have little in common with the latter beyond their indorsement of the fundamental principle of the compulsory compensation of workingmen. Even in this particular there is an important difference. The German and Austrian laws are the more advanced measures as regards the adoption of this principle, the only exception to the right of an indemnity being where the accident was intentionally brought about by the victim. England, in addition to this provision, makes the further exception of accidents caused by "serious and wilful misconduct"; and France, as we have seen, permits the serious and "inexcusable fault" of either the employer or employee to influence to some extent the amount of the indemnity. These qualifications on the part of the French and English acts, it seems to me, are much to be regretted. Though apparently equitable, they throw open the door to litigation, and tend to create friction between labor and its employer, which it is one of the purposes of the acts to remove. Much, however, will depend upon the spirit in which the acts are administered.

* In the case of Austria the slight exception should be made that one-tenth of the funds necessary for the payment of the benefits is collected from the workingmen by deductions made from their wages.

The most important difference, however, between the two systems is that the principle of compulsory insurance, so important a feature of the German and Austrian laws, was rejected. Both France and England were unwilling to incorporate in their legislation provisions requiring such an enormous extension of the activities of the State, with the consequent necessity for the organization of a complex administrative system and the increase of governmental bureaucracy. At the same time the great desirability of insurance, and the important part that it can play in the successful operation of the law, was fully recognized. The principle of compulsion was only rejected because it was firmly believed that the employers would themselves see the necessity and usefulness of insurance, and would voluntarily organize institutions for this purpose.

Both the French and English acts, therefore, specifically provide for this action on the part of the employers. The French system proposes to make use of existing institutions in her excellent *sociétés de secours mutuel* for all minor accidents, and her *caisse national des retraites pour la vieillesse* for indemnities in the nature of pensions running a number of years. In addition to this the employers are left at perfect liberty to take such action as they may deem desirable in the way of insuring themselves against these risks either in private companies or by the formation of mutual insurance institutions. Thus the operation of such admirable institutions as the *caisse syndicale d'assurance mutuelle des forges de France* is in no way interfered with, and their members can continue to perform the obligations imposed by the act through these or similar institutions.

The result of the act undoubtedly will be greatly to encourage the organization of voluntary mutual insurance societies by employers of the same industry or locality. Indeed, in a way the success of the act depends upon the

extent to which this is done. In thus trusting first to private initiative, France and England have played the part of wisdom and discretion. The question of insurance is one that can easily be left to future action. The important point is to establish the basis of compulsory compensation for accidents. If experience demonstrates that this is not sufficient, additional legislation concerning insurance can easily be had.

The two important points of compulsory compensation and compulsory insurance have here been given full consideration. Other features are matters of detail and minor importance. As regards the form of the benefit, England has adopted the system of the payment of a lump sum in final liquidation of all claims, though providing that this sum can be used for the purchase of an annuity from the National Debt Commissioners; while France has adopted the reverse by making the annuity system the normal mode of settlement. The cause for this difference lies in the different temperaments and habits of the people of the two countries.

In both countries, as well as in Germany and Austria, the amount of the indemnity is determined by the usual wages of the sufferer, and, what is of great importance, is as far as possible definitely fixed in advance by the law itself. In all, also, the system of determining the amount of the indemnity according to the degree of incapacity rather than by attempting to draw up a scale of benefits according to the specific kind of injury received has been followed.

The French act, it will be observed, applies to all mine and quarry employees. This in no way conflicts with the miners' compulsory insurance act of June 29, 1894. That act made it obligatory upon mine operators to insure all of their workingmen against sickness through mutual aid societies, and against old age through the national old age insurance bank or through specially created funds.

The present law, therefore, completes this scheme by making it equally compulsory upon mine operators to provide for the compensation of their employees injured by accidents. In doing so, they are allowed to make use of the institutions now used for sick and old age insurance.

In concluding this analysis, mention should be made of a point in which the act seems to be open to criticism. A valuable body of statistical data concerning the frequency of accidents — their causes, nature, and results — will come into existence as the result of the enforcement of the act. It is very desirable that this material, as well as that showing the extent to which insurance is practised, should be collected and made public. It is also a matter of practical importance to determine the financial burdens thrown upon employers in the different industries by the new system. The act, however, seems to make no provision for the centralization and publication of this information or the showing in any way of the results of the operation of the act. Under the French system of legislation however, a law frequently but lays down a general rule, leaving the details to be supplied by subsequent administrative orders or decrees. It is possible, therefore, that this point has not been neglected, and that the results will be published in some way.

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